

HOUSE JOINT RESOLUTION 217

By Naifeh

A RESOLUTION to urge the members of the Senate and the House of Representatives of the United States Congress to strengthen the Social Security system using responsible measures that will not put at risk the commitment to current retirees or to those about to retire.

WHEREAS, Social Security was created following the great depression to provide a floor of support for older Americans; this covenant between generations now is the largest source of income for most elderly Americans; and

WHEREAS, the current population of Americans aged 65 years or older totals almost 36 million; that figure is soon to increase dramatically as the “baby boom” generation from the World War II era begins to retire; and

WHEREAS, at present, some 65 million of the baby boom generation are currently still paying into Social Security, along with some 89 million other employed American workers and the almost one in three retired Americans who are paying taxes on a portion of their Social Security income; and

WHEREAS, as late as 2002, the Social Security system income was \$627.2 billion and its level of payout was \$461.6 billion, leaving a surplus of some \$165.5 billion that remained in the trust funds; the interest from the Treasury bonds purchased with the trust funds of \$1.4 trillion earned about seven percent annual interest, or nearly \$80 billion, about 13 percent of Social Security’s total income; and

WHEREAS, while it is certainly true that the proportion of the population of this nation eligible for Social Security is growing for the foreseeable future, and that within 15 years, if nothing is done, the system will be paying out more than it is taking in, the Social Security system is not bankrupt or yet in crisis; the system will still be able to pay out 100% of its

commitments until 2052, after which it would still be able to pay a little more than three quarters of its promised commitments, even if nothing else is done. These dates represent revisions by the Congressional Budget Office to the original estimates by the Social Security Board of Trustees, which had projected that the system would be paying out more than it takes in within 13 years and would be unable to meet all of its commitments to retirees by 2042; and

WHEREAS, the members of this General Assembly agree that measures should be taken to strengthen the Social Security system so that 100% of the benefit commitments can continue to be paid out to retirees after 2052; however, the proposal to begin transformation of the system by providing private investment accounts for younger workers and allow diversion of a portion of the Social Security taxes of those workers is both expensive and financially risky; and

WHEREAS, given the recent history of the involvement of a large percentage of American small investors in the stock market, it is clear that the individual investor does not always make good decisions, and the market is quite often difficult to predict; the original purpose of the Social Security system to provide a guaranteed minimum benefit should be retained, and Social Security taxes should not be diverted; and

WHEREAS, estimates are that as much as nearly \$2 trillion would be required to switch to a new private investment accounts system, to be obtained from benefit cuts, or new taxes or increased debt; new taxes seem highly unlikely in the present climate, and recent figures place the national debt at \$7.6 trillion. This year's budget deficit is projected at \$368 billion, excluding the costs of the wars in Iraq and Afghanistan; and

WHEREAS, a continuing increase of the national debt at current rates of growth fueled in part by recent tax cuts combined with increased spending for homeland security, conduct of the war on terror, and other large expenses may well place in jeopardy the role of the U.S. dollar in international affairs; such unintended consequences should be kept in mind while methods of strengthening Social Security are considered; and

WHEREAS, while the Tennessee General Assembly considers that the need to strengthen Social Security and to secure its benefits to future generations is of supreme

importance, there is adequate time to take careful and considered stock of all available options;
now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED
FOURTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE
CONCURRING, that the members of the Tennessee General Assembly urge the members of
the Congress of the United States to retain the historic mission of the United States Social
Security system, using the available time wisely to identify all prudent options to strengthen the
system and enable it to meet its future commitments.

BE IT FURTHER RESOLVED, that we urge the Congress to carefully consider the
possible impacts of any measures adopted upon Social Security Disability Insurance,
Supplemental Security Income, and even private disability insurance.

BE IT FURTHER RESOLVED, that the Congress is urged to carefully assess the
possible impacts upon the Social Security system and this nation's national debt inherent in the
funding of proposed private investment accounts for younger workers.

BE IT FURTHER RESOLVED, that the Chief Clerk of the House of Representatives is directed
to transmit enrolled copies of this resolution to the Honorable George W. Bush, President of the
United States of America; the President and the Secretary of the U.S. Senate; the Speaker and
the Clerk of the U.S. House of Representatives; and each member of Tennessee's
Congressional delegation.